

Bill No. 40-01
Concerning: Taxation - Arts and
Entertainment District - Exemptions
and Credits
Revised: 1-25-02 Draft No. 2
Introduced: November 20, 2001
Enacted: January 29, 2002
Executive: February 7, 2002
Effective: May 9, 2002
Sunset Date: None
Ch. 1, Laws of Mont. Co. 2002

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

AN ACT to:

- (1) exempt certain taxpayers located in an arts and entertainment district from the County amusement tax; and
- (2) allow a property tax credit for certain renovated buildings located in an arts and entertainment district.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-16A

By adding

Chapter 52, Taxation
Section 52-18L

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec 1. Section 52-16A is amended as follows:

52-16A. Admissions and amusement tax

(a) * * *

(b) * * *

(4) Gross receipts from any admissions and amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in an arts and entertainment district designated under state law.

Sec 2. Section 52-18L is added as follows:

52-18L. Property tax credit -- arts and entertainment district.

(a) In this Section the following words have the meanings indicated.

Arts and Entertainment District, Arts and Entertainment

Enterprise, and Qualifying Residing Artist are defined in Section

4-701 of Article 83A of the Maryland Code.

Base year means the taxable year immediately before the taxable year in which a property tax credit under this section is granted.

Base year value means the value of the property used to determine the assessment on which the property tax was imposed for the base year. Base year value does not include any property first assessed in the base year.

Eligible assessment means the difference between the base year value and the actual assessed value for the applicable taxable year in which the tax credit under this section is granted.

(b) The Director of Finance must allow a tax credit, as authorized by state law, to a taxpayer against the County property tax imposed on a manufacturing, commercial, or industrial building that:

(1) is located in an arts and entertainment district; and

(2) is wholly or partially renovated for use by a qualifying
residing artist or an arts and entertainment enterprise.

(c) A tax credit granted under this Section applies for 10 years, as provided
in subsection (d), as long as the building is used by a qualifying
residing artist or an arts and entertainment enterprise.

(d) The Director must calculate a tax credit allowed under this Section as
follows:

(1) Except for properties allowed an Enterprise Zone Tax Credit, the
amount of the tax credit under this Section is the following
percentage of the amount of property tax imposed on the eligible
assessment of the property entitled to the credit:

(A) 80% in each of the first 5 taxable years after the calendar
year when the property initially is entitled to the credit;

(B) 70% in the 6th taxable year;

(C) 60% in the 7th taxable year;

(D) 50% in the 8th taxable year;

(E) 40% in the 9th taxable year; and

(F) [[no credit]] 30% in the 10th taxable year.

(2) For properties allowed an Enterprise Zone Tax Credit, the
amount of the tax credit under this Section is 20% of the
amount of property tax imposed on the eligible assessment of
the property entitled to the credit for each of the 10 taxable
years after the calendar year when the property initially is

51 entitled to the credit. The credit under this Section is in
 52 addition to the Enterprise Zone Tax Credit.

53 *Approved:*

54	/S/	1/31/02
	Steven A. Silverman, President, County Council	Date

55 *Approved:*

56	/S/	2/7/02
	Douglas M. Duncan, County Executive	Date

57 *This is a correct copy of Council action.*

58	/S/	2/11/02
	Mary A. Edgar, CMC, Clerk of the Council	Date